



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 12/6/07
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SUBJECT: Approve the negotiation and execution of (1) a back-up purchase contract for the acquisition of up to ten condominium units located in the Allandale condominium project located at 7685 Northcross Drive (Project) in an amount not to exceed \$1,137,040, (2) acquisition assistance agreements for additional condominium units located in the Project in an amount not to exceed \$1,600,000 in the event the back-up purchase contract is not exercised or \$462,960 if the back-up purchase contract is exercised, under the Acquisition and Development Program for rental or sale to low- and moderate-income persons and families with disabilities, and rescind Motion No 20070301-AHFC 003

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2007-2008 Austin Housing Finance Corporation budget under the Acquisition and Development Program. The transaction will be funded with available CIP funds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING **DIRECTOR'S**
DEPARTMENT: Austin Housing Finance Corporation **AUTHORIZATION: _____**

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION: The Austin Housing Finance Corporation Board authorized \$1,600,000 on March 1, 2007 by AHFC Motion No. 20070301-AHFC003, and \$500,000 on October 11, 2007 by AHFC Motion No. 20071011-AHFC002.

PRIOR COUNCIL ACTION: None

Following Board approval, Austin Housing Finance Corporation (AHFC) will enter into a backup purchase contract in the amount of \$1,137,040 for the acquisition of ten affordable condominium units for low-to-moderate income households in the Allandale project located at 7685 Northcross Drive (Allandale Project).

The current facility is operated as an extended-stay hotel, comprised of eleven two-story buildings on a 5.19 acre site near Burnet Road and Anderson Lane. The total project

consists of 180 residential units 141 one-bedroom/one-bath and 39 two-bedroom/two-bath units The site includes a 6,800 square foot office/clubhouse facility and swimming pool with pool house

The backup contract will secure the current developer's agreement with United Cerebral Palsy (UCP) to proceed with modification of 10 condominium units in the Allandale Project to meet the ADA specifications provided by UCP This back-up contract will authorize the City to purchase the 10 modified units if UCP fails to close their purchase agreement Funds to be deposited in escrow to secure the backup contracts were previously authorized by the Board as gap financing to UCP for the purchase of the 10 units to be used as rental units for low- and moderate-income families with disabilities

If Austin Housing Finance Corporation purchases units under the back-up contract, they will be resold to low-to-moderate income households, or to nonprofit housing providers to create rental housing for low-income disabled households Unit prices will vary with location and the level of renovation and/or modification Low-to-moderate income buyers will secure financing to purchase the affordable units, providing AHFC with Acquisition & Development Homeownership CIP Program Income that will be re-invested to fund additional affordable units throughout Austin

In addition to purchase of the ten modified units, \$462,960 of the funds authorized by this action (\$1,600,000 in the event the back-up contract is not exercised) will be used to provide acquisition assistance to low-to-moderate income households, or to nonprofit housing providers to create rental housing for low-income households in the Allandale Project Unit prices will vary with location and the level of renovation and/or modification

Sources and Uses of Funds

Sources		Uses	
AHFC CIP Funds	\$1,400,000 00		
AHFC CIP PI	<u>\$ 200,000 00</u>	Acquisition	<u>\$1,600,000 00</u>
Total	\$1,600,000 00		

Condominium units may be purchased by households at or below eighty percent MFI (currently \$45,500 for a 2-person household), with long-term affordability secured by shared-appreciation or the community land trust model Condominium units purchased by nonprofit housing organizations will be rented to households at or below fifty percent MFI (currently \$28,450 for a two-person household), with an affordability period of at least 40 years

Performance measures associated with the project are as follows

- 1 Develop up to 40 units of affordable housing for low-to-moderate income households

The requested funding is available in the Fiscal Year 2007-2008 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved

Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable housing for low-to-moderate income households and persons with special needs